```
RR RUEHAST
DE RUEHSK #1099/01 2791220
ZNR UUUUU ZZH
R 061220Z OCT 06
FM AMEMBASSY MINSK
TO RUEHC/SECSTATE WASHDC 5193
INFO RUCNOSC/ORGANIZATION FOR SECURITY COOPERATION IN EUROPE
RHMFISS/HQ USEUCOM VAIHINGEN GE
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK
UNCLAS SECTION 01 OF 04 MINSK 001099
SIPDIS
SIPDIS
E.O. 12958: N/A
TAGS: PGOV PREL PHUM ECON KTDB KHIV BO
SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - OCTOBER 06,
MINSK 00001099 001.2 OF 004
11. The following are brief items of interest compiled by
Embassy Minsk.
TABLE OF CONTENTS
ELECTIONS
- Milinkevich as Campaign Aide for Local Candidates (para. 2)
CIVIL SOCIETY
- Opposition Activist Jailed for 2005 Bombings in Vitebsk (para. 3)
- Opposition, Journalists, Artists Support Dashkevich (para. 4)
INTERNATIONAL RELATIONS
- Lower Chamber Grants NATO Landmine Teams Immunity (para. 5)
- Lukashenko Accepts Credentials from 10 Ambassadors (para. 6)
- Belarus' Border with Latvia and Lithuania Demarcated (para. 7)
Health
- Over 500 New HIV Cases Reported in Belarus in 2006 (para. 8)
TRADE AND INVESTMENT
______
- Lower Chamber Approves Free Trade with Ukraine (para. 9)
- Lawmakers Discuss Ending Seizures for Petty Smuggling (para. 10)
- MTS Claims Belarusian Subscriber Base Up to 3 Million (para. 11)
DOMESTIC ECONOMICS
- Belarus' BeST Claims 11,000 Clients As of October 1 (para. 12)
- GOB Projects Slower Long-term GDP Growth (para. 13)
- QUOTE OF THE WEEK (para. 14)
Elections
12. Milinkevich as Campaign Aide for Local Candidates
```

VZCZCXRO2314

On October 5, former opposition presidential candidate Aleksandr Milinkevich announced plans to become a campaign aide for several candidates in local elections scheduled for January 14 and to "tour

as many cities as possible." Criticizing amendments to the Electoral Code passed by the Belarusian House of Representatives on October 2 that would allow candidates to meet with voters only with permission from local authorities, Milinkevich declared, "The regime is really afraid of us and afraid of our dialog with people. We will find opportunities to hold various meetings together with candidates for local councils during the elections. We've been stripped of the right to choose." Milinkevich called upon the opposition to stage a major demonstration every three months.

Civil Society

13. Opposition Activist Jailed for 2005 Bombings in Vitebsk

On October 5, authorities detained opposition youth activist Pavel Krasovsky on suspicion of involvement in bombings that injured more than 50 people in the northern city of Vitebsk on September 14 and 22, 2005. Authorities reportedly charged Krasovsky with attempted murder and seized computer equipment and printed material from his residence. Krasovsky, a member of the opposition youth organization Malady Front, reportedly resembles a police composite picture of the bombing suspect. In October 2005, President Lukashenko claimed that two brothers, Vitaly and Yuriy Murashko, had admitted to setting off the explosive devices. However, in early 2006, the brothers were freed on their own recognizance; to date, there are no reports regarding the charges against them.

14. Opposition, Journalists, Artists Support Dashkevich

On October 5, a group of opposition politicians, independent journalists and artists joined the campaign to release opposition youth leader Dmitry Dashkevich. Led by former opposition presidential candidate Aleksandr Milinkevich, the group has about 30 members, including Milinkevich's wife, Inna Kulei, who heads a committee which supports victims of repression, Belarusian Association of Journalists Chair Zhanna Litvina, prominent poet Nil

MINSK 00001099 002.2 OF 004

Gilevich, and representatives of the youth wings of the opposition United Civic Party and the Belarusian Popular Front. The group will continue collecting signatures from those willing to testify for the defense at Dashkevich's possible trial. Milinkevich promised to bolster international support for Dashkevich, who was taken to a pre-trial detention center on September 15. A leader of the opposition youth organization Malady Front, Dashkevich was formally charged under Article 193 of the Criminal Code, which penalizes running an unregistered organization. Two other Malady Front leaders, Boris Goretsky, and Oleg Korban, face the same charge.

International Relations

15. Lower Chamber Grants NATO Landmine Teams Immunity

On October 2, the lower chamber of the Belarusian National Assembly ratified a memorandum of understanding between Belarus and the NATO Maintenance and Supply Agency (NAMSA) that exempts from taxes and prosecution NAMSA personnel, who are providing material and technical assistance to Belarus in the disposal of landmines. According to Belarusian Defense Minister Leonid Maltsev, Belarus will receive 200,000 Euros for destroying its TNT landmines under the memorandum. Belarus has pledged to destroy before March 1, 2008, more than four million landmines that it inherited from the Soviet Union, including TNT landmines and 3.3 million PFM landmines, which contain toxic liquid explosives.

16. Lukashenko Accepts Credentials from 10 Ambassadors

On October 3, President Lukashenko accepted credentials from the ambassadors of Australia, Bosnia and Herzegovina, Cyprus, Denmark, Hungary, Jordan, Mauritania, Pakistan, the Philippines and the Republic of South Africa. All are also ambassadors to Russia and

reside in Moscow.

17. Belarus' Border with Latvia and Lithuania Demarcated

On October 3, the last border sign at the Belarusian-Latvian border was erected along Belarus' borders with Latvia and Lithuania. A total of 1,968 poles were set up on the 680-kilometer Belarusian-Lithuanian border and 425 poles on the 170-kilometer Belarusian-Latvian border. The demarcation of Belarus' Baltic borders began in 1998. A total of USD 13.5 million will reportedly have been spent on the project, including USD 8.84 million by the GOB and USD 4.66 million by the European Commission's TACIS program. Belarus, Latvia and Lithuania will sign final demarcation documents in 2007.

Health

18. Over 500 New HIV Cases Reported in Belarus in 2006

On October 4, UNDP Resident Representative Cihan Sultanoglu reported that 552 new HIV cases were recorded in Belarus between January and September 2006 and that as many as 7,566 Belarusians were diagnosed as HIV-infected as of October 1, 2006. Gomel region has the highest rate of HIV infection, with 4,147 reported cases. In Minsk, 1,083 persons are known to be infected. Belarusians between 15 and 29 years of age accounted for 75 percent of all HIV infection cases. Men account for 67 percent of all HIV cases. Most HIV-infected persons, 65 percent of all cases, were intravenous drug users. According to Sultanoglu, 334 persons contracted the disease sexually between January and September of 12006. Meanwhile, 100 babies were born to mothers with HIV; 94 babies tested HIV-positive. Sultanoglu noted that 600 HIV-infected people in Belarus are getting anti-retroviral treatment under a project on the prevention and treatment of HIV/AIDS in Belarus funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria. The Global Fund pledged to provide USD 17 million for the project. About USD 6.9 million was disbursed in 2005. The remaining USD 10 million will be allocated within three years, doubling the number of Belarusians who receive anti-retroviral treatment.

Trade and Investment

19. Lower Chamber Approves Free Trade with Ukraine

On October 5, the House of Representatives of the Belarusian National Assembly voted to ratify an agreement between Belarus and Ukraine on free trade and a related protocol. Belarus and Ukraine signed the accord 1992, but the Belarusian parliament did not ratify it because of language differences in Belarusian and Ukrainian versions. A follow up protocol, signed during last year's visit to Minsk by Ukrainian Prime Minister Yuriy Yekhanurov,

MINSK 00001099 003.2 OF 004

clarified the agreement. Ukraine is Belarus' fourth largest trading partner.

110. Lawmakers Discuss Ending Seizures for Petty Smuggling

On October 5, members of the Belarusian parliament's lower chamber introduced a bill that would ban the seizure of vehicles involved in the smuggling of goods valued at less than USD 580. The draft amendments to the Administrative Offenses Code carry fines for the offense. They would establish a fine of up to USD 724 for individuals, USD 2,172 for sole entrepreneurs, and USD 11,590 for other legal entities. According to State Customs Committee Head, Aleksandr Shpilevsky, the legislation is aimed at making Belarus more attractive for road carriers. He cited examples of drivers having heavy-duty trucks seized for illegally bringing a few dozen packs of cigarettes into the country. The bill corresponds to an edict issued by President Lukashenko in June.

On October 3, the Russian-Belarusian joint venture Mobile TeleSystems (MTS), which operates GSM 900/1800 standard under MTS and Jeans trademarks, reported that its subscriber base in Belarus rose to 2.89 million active clients as of October 1, 2006, an increase of 3.8 percent from the previous month. As of October 1, MTS has 1,903 base stations, up from 1,843 base stations as of September 1. MTS' services were available on 62 percent of Belarus' territory to 90 percent of all Belarusians in 565 cities and towns. MTS has 705 dealerships in 205 cities and towns of Belarus. The capacity of MTS' network in Belarus is at 3.98 million numbers. Other Belarus' mobile operators are Mobile Digital Communication (MDC), which operates GSM-900/1800 network under the Velcom brand, and BelCel, which operates IMT-MC-450 (cdma2000) network. In December 2005, the third GSM operator, BeST, started commercial operations. MTS launched its GSM-900/1800 network in Belarus in 2002 and is a joint venture between Russia's largest mobile operator Mobile TeleSystems and Belarus' long-distance operator Mezhdugorodnaya Svyazhe, which hold 49 percent and 51 percent of shares, respectively.

Domestic Economy

¶12. Belarus' BeST Claims 11,000 Clients as of October 1

On October 3, mobile operator Belorusskaya Syet Telekommunikatsiy (Belarus Telecommunications Network, or BeST) announced that it has 11,000 clients as of October 1, 2006, an increase of 4.8 percent above the previous month. On August 1, the number of clients increased 10.5 percent on the month. BeST provides service in Minsk, Grodno, Vitebsk, Gomel, Brest, Bobruisk, and Mogilev. On October 1 BeST had 79 base stations, up from 62 on September 1. The company has 150 dealerships. Belarus' state-controlled fixed-line monopoly Beltelecom created BeST and controls 25 percent of BeST shares; the state-owned company Agat holds 75 percent.

113. GOB Projects Slower Long-term GDP Growth

On October 3, Belarusian Minister of Economics Nikolay Zaichenko revealed that the GOB projects GDP growth between 49 and 56 percent in 2006-2010 and 40-47 percent between 2011 and 2015. Zaichenko emphasized that the government's principal goal for 2011 to 2015 is to maximize the efficiency of the real sector, promote growth of high-tech manufacturers, and encourage innovation throughout the economy. Although the GOB forecasts that GDP will double between 2006 and 2015, Zaichenko predicted a long-term slowdown in GDP growth. Nevertheless, over the next ten years, the GOB expects GDP to grow between 100 and 130 percent, industrial output to increase by 100 to 110 percent, and agricultural production to rise by 60 to 80 percent. Zaichenko also forecasted an inflation rate of 5 percent in 2010.

Quote of the Week

114. On October 5, former opposition presidential candidate Aleksandr Milinkevich offered this assessment about the opposition's responsibilities and democratic change in Belarus:

"I am an optimist and I expect this regime to last only a couple of years, may be a year more. But everything will depend only on us. One should not expect that prices will rise and the economy will collapse abruptly, and we will enter riding white horses. A revolutionary situation is not created by a call from an opposition leader, it is the result of objective events."

MINSK 00001099 004.2 OF 004